DOCUMENT RESUME

ED 109 944 HE 006 510

TITLE The Matter of Choice. A Study of Out-of-State Use of Grants Financed by Appropriations from the State Legislature in Pennsylvania.

INSTITUTION Pennsylvania Higher Education Assistance Agency, Harrisburg.
PUB DATE Nov 74
NOTE 15p.

EDRS PRICE MF-$0.76 HC-$1.58 PLUS POSTAGE
DESCRIPTORS *College Choice; Costs; Educational Policy; Enrollment; *Financial Policy; *Higher Education; *Post Secondary Education; *State Aid; State Programs; Student Characteristics; Student Costs
IDENTIFIERS *Pennsylvania

ABSTRACT

Acting through the Pennsylvania Higher Education Assistance Agency, the Commonwealth of Pennsylvania provides a comprehensive program of grant assistance to undergraduate students enrolled full-time in approved institutions of postsecondary education. In the 1974-75 academic year, the program will provide an estimated $71.5 million to more than 105,000 students. Since its inception in 1966, the Higher Education Assistance Agency's Board of Directors have tried to support student freedom of choice in institutions within and outside the Commonwealth. For the 1974-75 academic year, an estimated 12,040 students (11.4 percent of the total number of recipients) attended institutions outside the Commonwealth. As educational conditions changed, a number of individuals and groups have questioned the continuation of unlimited use of grants provided by the Commonwealth at institutions outside its borders. This document attempts to assist the members of the agency's board of directors in considering the desirability of possible policy change. A questionnaire was mailed to each 1974-75 out-of-state grant recipient. A total of 11,793 questionnaires were mailed. A total of 5,290 students (47.1 percent) answered the questionnaire. Using information gathered from the questionnaires the document examines: characteristics of students; reasons for not enrolling in a Pennsylvania institution; potential student response to policy change; financial implications of policy change; and human costs of policy change. (Author/KE)

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THE MATTER OF CHOICE

A Study of Out-of-State Use of Grants Financed by Appropriations from the State Legislature in Pennsylvania

November, 1974

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INTRODUCTION

In 1966, the General Assembly of the Commonwealth of Pennsylvania recognized that "there continues to be a tragic underdevelopment of the . . . human talent because of the inability of many needy students to finance a post-secondary educational program . . . . Pennsylvania can achieve its full economic and social potential only if every individual has an opportunity to contribute to the full extent of his capabilities and only when the financial barriers to his economic, social, and educational goals are removed." The Assembly supported their philosophical commitment with a financial one and established a scholarship program to be administered by the Pennsylvania Higher Education Assistance Agency (PHEAA).

From its inception, that program was directed toward insuring freedom of educational choice. The enabling legislation clearly intended to establish a program which would permit the recipients to attend the institution of their choice. And from the beginning, some of the recipients chose to attend institutions located in another state. In the first year of the program, more than 20 percent of the total recipients attended out-of-state postsecondary institutions. For 1974-75, only about 11 percent of the recipients will go out-of-state, but they will take with them more than $7 million in funds appropriated by the General Assembly.

Over the years, there have been a number of questions that have arisen about the desirability of continuing the policy of permitting generally unrestricted use of Pennsylvania grants by students attending institutions in another state. At a time when enrollments of institutions -- particularly private institutions -- within the Commonwealth are declining, these questions have become even more pressing. Continuing interest and concern on the part of the Legislature and the educational community led PHEAA to conduct a study of their policy. This report is an abstract of a more extensive document which was prepared for presentation to the PHEAA Board of Directors in November, 1974.

THE USE OF GRANTS AT OUT-OF-STATE INSTITUTIONS

A student who qualifies for a State higher education grant may enroll at any two or four-year collegiate institution in Pennsylvania approved by the State Board of Education. In addition, postsecondary hospital schools of nursing approved by the State Board of Nurse Examiners are eligible, as are at least two-year programs of study at business and technical schools approved by their respective State licensing boards. The maximum 1974-75 grant for students enrolled in approved in-state postsecondary schools is tuition and mandatory fees or $1,200, whichever is less.

A state higher education grant recipient who elects to enroll at an out-of-state institution is somewhat more restricted in his choice. Approved out-of-state colleges include only those who have attained regional accreditation, and excludes two-year public (community) colleges altogether. Hospital schools of nursing are limited to those approved by the National League for Nursing, and technical schools to those approved by the Engineer's Council for Professional Development. For the 1974-75 academic year, the maximum award amount is limited to tuition and mandatory fees not to exceed $800 for juniors and seniors or $600 for freshmen and sophomores because of their eligibility for federal Basic Grant assistance.

For the 1974-75 academic year about 12,000 recipients (11 percent of the total) elected to attend an out-of-state institution. Funds disbursed to those students will be not less than $7.1 million (10.7 percent of the total of more than $71 million which will be distributed by PHEAA for the year). More than one half of the out-of-state recipients will attend institutions in contiguous states. Ohio receives the largest precentage of Pennsylvania grant recipients, 16.3 percent in 1973-74, followed by West Virginia (14.4 percent) and New York (12.8 percent). Delaware, Maryland, and New Jersey each receive less than five percent of the out-of-state grant recipients. The southern states attract a substantial percentage of the out-of-state students.

Location of Institutions
Selected by Out-of-State Grant Recipients
1973-74 Academic Year

Contiguous States	55.1%
New England States	9.2
Southern States	18.9
Midwestern States	12.6
Southwestern States	1.6
Far Western States	2.7
	100.0%

Nearly two-thirds of the recipients who attend an out-of-state institution select a privately controlled one. Because of limitations in the institutional approval policies of PHEAA, few of the out-of-state recipients attend nursing or business/trade institutions (only 2.3 percent of the out-of-state students are enrolled in these types of institutions).

In June, 1974, six members of the General Assembly introduced a bill which would limit out-of-state use of grants to those states which have reciprocal agreements which permit their residents to use grants in Pennsylvania. At the present time, only Connecticut, New Jersey, Massachusetts, Rhode Island, and Vermont have such policies. In the 1973-74 academic year, 12.2 percent of all out-of-state grant recipients (1.3 percent of all grant recipients for that year) attended institutions in those states. The "balance of payments" for the 1973-74 year was nearly equal, with Pennsylvania spending only $5,500 more for grants to students attending institutions in those states than it received from grants to students attending institutions in Pennsylvania.

The PHEAA staff surveyed other states which had comprehensive undergraduate scholarship programs in 1973 to determine what their reactions might be if Pennsylvania instituted a policy permitting out-of-state use only in reciprocating states. Only one state, Michigan, indicated that it would reconsider its policy. Four, Alaska, Illinois, Maryland, and North Dakota, indicated that there would be positively no change in response to such a move by Pennsylvania. The others indicated that there would probably be no change in their policy.

Two main reasons for not changing their policies were offered. The first is that funding is insufficient to meet the needs of students attending institutions within the state. The second is that the state has a comprehensive higher education system that is totally responsive to the educational needs of the citizens of the state and, therefore, it is inappropriate to provide financial assistance to students attending institutions outside the state. It would appear that a change in policy by Pennsylvania, acting alone, would not be immediately productive in causing other states to alter their policies. The decision of Pennsylvania, therefore, must be made on the basis of the needs of its students and its institutions.

DATA COLLECTION

The timing of the study made the data collection process difficult. Definite plans for its conduct were not made until mid-August with the final report to be submitted to the Agency Board of Directors in mid-November. This limited the amount of time which could be used to collect original data. A further complication arose from the fact that most of the students would be returning to school about the first of September, and it would be difficult to communicate with them. It was determined, then, that a quick survey instrument should be sent to the 1974-75 out-of-state grant recipients at their home residence in Pennsylvania.

The basis survey instrument was the Student Resource Survey (SRS) prepared by the College Entrance Examination Board. The SRS is an anonymous questionnaire which collects data about the personal, financial, and academic characteristics of students. In addition, the students were asked to respond to 12 multiple-choice and one essay question designed to obtain additional relevant data about the type of institution they selected, their reasons for making that institutional choice, and their responses to a change in policy which would limit out-of-state use of grants awarded by PHEAA. The questionnaires were mailed on August 23, 1974, and by September 12 responses had been received from 5,290 students (47.1 percent of those included in the mailing). In view of the short response time (20 days including the Labor Day weekend holiday period) and the fact that many of the students might have returned to school before receiving the questionnaire, the response rate was surprisingly high. The respondent group is representative of the total out-of-state population on variables related to student gender and racial/ethnic group membership. It slightly overrepresented students attending public institutions and those in contiguous states. It underrepresents just slightly the lower income students. However, when income distributions were used to estimate costs, the income distribution of the sample was adjusted to conform with the PHEAA verified distributions of parental income.

CHARACTERISTICS OF THE RECIPIENTS

Exactly 57 percent of the respondents were male; 43 percent female. Nearly all of them had never married, with only 3.6 percent indicating a different marital status. Only 9.4 percent indicated that they were veterans. Most identified themselves as Caucasian or White (88.8 percent); 8.4 percent identified them-

selves as Black, Afro-American, or Negro; and 2.7 percent as members of other racial/ethnic groups.

Nearly six out of ten students (59.3 percent) will attend private institutions outside the Commonwealth. Among black students, about half will attend public and half private institutions. Six out of ten will be in the lower division of their institutions. The largest percentage will be enrolled in the humanities or social science programs (20.8 percent) with education (12.5 percent), physical sciences (12.6 percent) and business administration (11.5 percent) the next most frequently indicated programs. A substantial percentage, 15.1 percent, indicated that they have not yet made a curricular choice. Only 3.5 percent indicated that they did not intend to obtain at least a bachelors degree either from their present institution or from another. Six out of ten indicated that they intended to receive an advanced degree (Masters or Doctorate). Nearly 90 percent of the respondents had been admitted to their present institution as first-time freshmen. Of those who had been admitted as transfer students, about one-third came from a community college and two-thirds from another four-year institution. Nearly all of the out-of-state recipients (over 93 percent) indicated that they were satisfied with the institution they are attending. Only 2.3 percent of the respondents indicated that they have plans to transfer to a different institution next year.

About a third of the students reported that their parental income was less than $9,000, about one quarter reported that their parental income was between $9,000 and $12,000, and nearly the same percentage reported parental incomes between $12,000 and $15,000. About one fifth reported parental incomes in excess of $15,000.

Student Reported Parental Income
1974-75 Out-of-State Recipients

Under $9,000	29.0%
$9,000 to $12,000	25.3
$12,000 to $15,000	24.3
$Over $15,000	21.4

The median parental income of all students was $11,490. The black students' families had considerably lower incomes, with a median of only $8,075. The medians for white families was $11,838 and for other families $11,606.

Over half of the students indicated that they worked at a part-time job during the academic year, with the average weekly employment 11.4 hours. Black students were slightly less likely to work during the year. Over 80 percent reported some income from a summer job. Among black students the rate of summer employment was considerably less. Only 65 percent of them reported any income from a summer job. This supports the findings of other studies that low income and minority students have real difficulties in finding summer employment. Those that do find work usually must accept considerably lower wages than do higher

income and white students. The lower rates of term-time and summer employment among black students is reflected in their reports of annual income. The mean total annual income from employment for black students was $992, that of the white students $1,256, and that of the other students $1,201.

More than seven out of ten respondents indicated that they had borrowed to finance their education, with 72 percent reporting some long-term educational indebtedness. The average for all students was $2,268. Slightly more black students had borrowed, but their average debt was less ($1,811) which may be accounted for in part by their higher rate of attendance at the relatively lower cost public institutions.

Only 4.4 percent of the students indicated that they lived with parents or relatives during the school year. Eight out of ten lived in campus facilities and the remainder in off-campus facilities in the community near their institution.

The average tuition and fees reported by all students was $2,074. Those attending public institutions reported an average of $1,601, reflecting the additional out-of-state fees they must pay. Those attending the private institutions reported an average of $2,402. The mean expenditure for books and supplies was $177, for room and board $1,194, for transportation $202, and for personal and miscellaneous expenses $298. For all students the tuition and fee charges made up more than half of the budget. The mean budget for all students was $3,945. That for black students was lower, $3,670, and that for other students higher $4,049.

Parental contribution made up about one quarter of the resources expected by the students for the 1974-75 year, with the average reported to be $882 for all students. About one-third of the anticipated support comes from grants (including the PHEAA award, which averaged $634 for the respondents) and another third from a combination of savings, benefits, borrowing, and work. Black students reported that parental contribution would make up a considerably smaller portion of their total anticipated resources (13.3 percent) grants a considerably larger portion (46.7 percent).

All of the students estimated that they would have a deficit in the amount of support available to them when compared with their projected educational costs for the year. The total resources anticipated by all students averaged $3,608, or $337 less than they projected their expenses to be.

Anticipated Expenses and Resources
1974-75 Out-of-State Recipients

	Amount	Percent
Tuition and Fees	$2,074	52.6
Books and Supplies	177	4.5
Room and Board	1,194	30.3
Transportation	202	5.1
Personal/Miscellaneous	298	7.5
	$3,945	100.0%
Parental Contribution	$ 882	24.4
Savings/Benefits	454	12.6
Grants	1,197	33.2
Loans	717	19.9
Work	358	9.9
	$3,608	100.0%
Deficit	$ 337	8.5%

The data for this study were collected at the beginning of the academic year. These anticipated deficits will undoubtedly be eliminated through a reduced standard of living or increases in the work/borrowing component. Some of them may be eliminated through increases in the parental contribution later in the academic year.

REASONS FOR SEEKING EDUCATION OUTSIDE THE COMMONWEALTH

The reasons why students choose to attend any institution are the consequence of many separate but interrelated factors. Some factors weigh more heavily than others for individual students, but usually no one factor is solely responsible for the choice of any particular institution. This is true of the reasons students gave for electing to attend an institution outside the Commonwealth of Pennsylvania.

The students who elected to use their 1974-75 grants at an out-of-state institution were asked to indicate the three most important reasons, in order, for their choice. It should be remembered, however, that many of these students had completed one or more years at their particular institution. The high level of satisfaction which they reported with the institution, as indicated earlier, undoubtedly had an influence on the *a posteriori* indication of the reasons for their choice.

The three reasons for choice were weighted, and a weighted order of importance was derived. It appears that the student's perception of the quality of the institution or its programs is the most significant reason for their choices. In addition to having the greatest weighted importances, the responses "better overall impression of out-of-state institution" and "better quality program at out-of-state institution" were indicated as the primary reason for choice by 44.6 percent of the respondents. Although given as the primary reason by only 6.5 percent of the students, the next most important weighted reason was simply that the students "wanted a change of scene." Reasons related to the availability of financial aid and perceptions that the institution was "less expensive" were weighted fourth and fifth in importance for the entire respondent group.

Reasons for Choosing Out-of-State Institutions
1974-75 Out-of-State Recipients

Reason	All Students	Weighted Importance White	Black	Other
Better overall impression of out-of-state instit.	1	1	2	1
Better quality program at out-of-state institution	2	2	3	2
Wanted a change of scene	3	3	1	6
Received more financial aid	4	4	4	3
Institution less expensive	5	5	5	7
Desired program unavailable in Pennsulvania	6	6	9	5
Encouraged by college official	7	7	6	8
Religious affiliation	8	8	13	10
Encouraged by high school officials	9	10	7	11
Not admitted to desired Pennsylvania Institution	10	9	8	4
Parental influence	11	11	10	9
Friends going there	12	12	11	13
More athletic opportunity	13	14	12	12
Could commute there	14	13	14	14

The student's perceptions of the out-of-state institution and its programs in relation to the programs and institutions in Pennsylvania were of most overall importance. A desire for a change of scene was of next most importance for all students and for white students. For the black students, however, the desire for a change of scene was the most important reason for selecting an out-of-state institution. It was cited more frequently than were the quality of the institution or its programs. The availability of financial aid or a perception of lower cost were next most important for all students, white students, and black students.

Reasons for choosing an out-of-state institution varied little for students from different family income groups. The favorable impression of the institution, the perceived quality of the program, the desire for a change of scene, and the financial aid they received were the most important for students from all income levels. Encouragement of college officials was fifth most important for students from families with incomes of $15,000 or more. The lower cost of the out-of-state institution was the fifth ranked by students from families in all income groups below $15,000. Being able to live at home and commute was the sixth most important reason for students with parental incomes in excess of that amount.

Understandably, students whose Pennsylvania residences were less than 50 miles from their out-of-state institution cited as the most important reason for their choice the ability to live at home and commute. It should be remembered, however, that these commuting students represent less than five percent of the total out-of-state group.

The religious affiliation of the institution was of importance to about 16 percent of the respondents, and 6.2 percent gave that as the primary reason for choosing their present institution.

There had been speculation that recruitment activities by out-of-state college officials substantially influenced students to leave Pennsylvania. The survey respondents ranked the influence of college officials seventh among all reasons for going out-of-state. However, only two percent said that this was the primary reason they went out-of-state. The influence of college officials appeared to have been more important to upper-middle income students from the urban regions, and was not evenly distributed among all students.

In summary, the most important reasons for students deciding to leave the Commonwealth for postsecondary education are that they believe the programs and institutions they are going to attend are better or will cost them less than those which are available in Pennsylvania. This belief is undoubtedly shaped by other factors such as the desire for a change of scene, the racial/ethnic composition of the institutions's student body, or its religious affiliation. While the chosen institutions and programs may in fact be better, or equal, or even of lesser quality than those available in Pennsylvania, the student belief that they are better for whatever reasons is what affects their choice.

POTENTIAL STUDENT RESPONSE TO POLICY CHANGE

The current out-of-state grant recipients were asked what they would have done if they had not been able to use their Pennsylvania grant to attend an out-of-state institution at the time they first made their college choice. They were given a variety of possible responses, including enrollment at the same college they are now attending, enrolling at a less-expensive out-of-state institution, enrolling in one or another type of institution in Pennsylvania, or delaying or abandoning their plans for postsecondary education.

Almost 54 percent of the students said that they would have attended the same out-of-state institution. Over 20 percent indicated that they would have abandoned or delayed their postsecondary educational plans, and only 23 percent said that they would have elected to go to a Pennsylvania institution.

What Would You Have Done if You Had Not Been Able
To Use Your Grant to Attend an Out-of-State College
When You First Decided Where You Would Attend?
1974-75 Out-of-State Recipients

Enroll at the same out-of-state institution	53.6%
Enroll at a less expensive out-of-state institution	3.2
Enroll in a Pennsylvania institution	23.0
Delay or abandon plans for further education	20.2

Of the students who would have enrolled in a Pennsylvania institution, 43 percent would have attended a state-related institution, 25 percent a state-owned institution, 20 percent a private two- or four-year institution, eight percent a community college, and the remaining five percent a hospital school of nursing or a vocational institution in the Commonwealth.

One possible reason for the lack of a major shift in educational plans is the relationship that the state grants have to educational costs. The average out-of-state grant defrays only 16 percent of the average cost of attendance reported by the students. Another reason is that these students for the most part are extremely satisfied with an institution which they have attended for one or more years. Their responses may be different than would be those of a student who had not had actual experience with any institution. Further, these students made their plans at a time when grants could be used at an out-of-state institution (although at a substantial sacrifice in maximum grant

eligibility). Other students who might make future plans with the prior knowledge of ineligibility for grant aid at some or all out-of-state institutions might make different plans. It would appear, however, that there is a significant proportion of students who attend out-of-state institutions because of a desire for a change of scene. A policy which permited use in reciprocating states might simply shift them to an out-of-state institution in a different state from the one they now attend.

Students from lower income families were more likely to indicate that they would have enrolled in a Pennsylvania institution or delayed or abandoned their plans than are students from higher income families. Although 26.3 percent of the students with family incomes of less than $6,000 indicated that they would have enrolled in a Pennsylvania institution, 25.2 percent indicated that they would have delayed or abandoned their educational plans.

Among the white students, about 22 percent would have enrolled in a Pennsylvania institution, and about 20 percent would have delayed or abandoned their plans for further education. For the black students, nearly 29 percent would have enrolled in Pennsylvania institutions, while nearly 24 percent would have delayed or abandoned their plans. Among students in other racial/ethnic minority groups, 24 percent would have enrolled in a Pennsylvania institution and 28 percent delayed or abandoned their plans.

Response to Policy Change
1974-75 Out-of-State Recipients

	White	Black	Other
Enroll out-of-state	58.0%	47.8%	48.5%
Enroll in a Penn. institution	21.8	28.5	23.8
Delay or abandon plans	19.6	23.7	27.7

It appears that the attraction of enrollment in an out-of-state institution, for the present student group at least, is strong enough that at least half of them would remain at the same institution even if they were not eligible to receive a grant from the Commonwealth. Perhaps more important is the indication that nearly as many students would delay or abandon their plans for an education as would enroll in a Pennsylvania institution if their eligibility for grant assistance from the Commonwealth were discontinued.

FINANCIAL IMPLICATIONS FOR THE COMMONWEALTH OF POLICY CHANGE

Three factors would influence the dollar costs to the Commonwealth: the type of policy change made, the impact that the policy change had on the educational choices of the students affected, and the way in which direct and indirect support of those students is distributed. While the actual dollar costs could only be determined on the basis of several years of experience with a new policy, it is possible to make some estimates on the basis of the data collected in this study.

Two basic policy alternatives were considered. The first would limit grants only to students attending postsecondary institutions within the Commonwealth. The second would continue out-of-state eligibility only in those states which have a policy which permits recipients of state grants from their resources to use their grants for attendance at a Pennsylvania institution. Other policy alternatives might be considered, such as a further limitation on the maximum amount of grants for out-of-state study, limitation of out-of-state eligibility to a specific percentage of the recipients, or limitation of out-of-state eligibility to certain specific groups of students (such as those whose curricular choice was not available within the Commonwealth). These were not examined in this study.

Some assumptions about student responses to these policy alternatives were made. It was assumed that subsequent groups of potential out-of-state grant recipients would react in the way the 1974-75 group included in this study indicated that they would react, i.e., 57 percent would continue to attend an out-of-state institution, 20 percent would delay or abandon their educational plans, and 23 percent would attend a Pennsylvania institution. Three alternative patterns of institutional attendance by the 23 percent were considered: that they would all enroll in a state-owned Pennsylvania institution where the amount of direct and indirect Commonwealth subsidy would be the greatest, that they would all enroll in a public community college where the amount of direct and indirect subsidy would be the least, and that they would attend the type of institution indicated in their questionnaire response where the amount of Commonwealth subsidy would be somewhere between the greatest and least. Because of the way in which the grants and institutional subsidies are currently distributed these three alternatives will produce a high, low, and probable estimate of the costs.

If all out-of-state grant eligibility were discontinued, the expenses of providing direct grant assistance and indirect institutional subsidy for those students who indicated that they would return to a Pennsylvania institution would be $6.3 million if all attended a state-owned institution, $4.2 million if they attended the types of institutions they said they would, and $1.8 million if they all attended a public community college. The 1974-75 expenditure for grants to out-of-state students will be no less than $7.1 million. Implementation of a policy which would not permit any out-of-state eligibility for the study population would result in a probable estimate of saving to the Commonwealth of $2.9 million ($7.1 million present expenditure less $4.2 million in new direct and indirect expenditure).

If out-of-state eligibility were limited to students attending institutions in reciprocating states (currently Connecticut, Massachusetts, Rhode Island, Vermont, and New Jersey), the expense of providing direct and indirect subsidy for students attending institutions in other states who responded that they would return to a Pennsylvania institution and continuing to provide grants to those attending institutions in reciprocating states would range from a high of $6.6 million to a low of $2.6 million, with the probable cost $4.8 million. Deducting the probable cost from the present expenditures for out-of-state grants would produce a net savings to the Commonwealth of $2.3 million ($7.1 million minus $4.8 million).

These estimates were made on the assumption that the students affected would react in the same way as students in the study group indicated that they would have reacted. It must be remembered that any increase in the percentage of students who would actually enroll in a Pennsylvania institution would reduce the net savings to the Commonwealth. The cost of providing a student with a grant and permitting him to attend an out-of-state institution in 1974-75 was $1,768 less than the direct and indirect costs of enrolling the same student at a state-owned institution, $966 less than enrolling the student in a state-related institution, $671 less than at a private institution, and $71 less than at a community college.

There is some concern that the policy of out-of-state grant eligibility involves further "costs" to the Commonwealth because students educated outside the Commonwealth will not return following completion of their education. Of the study group, 62 percent of the recipients said that they would return to Pennsylvania upon completion of their education. Less than 8 percent said they would remain in the state in which they had received their education. The decision to leave Pennsylvania for an education and the decision to remain outside the Commonwealth after graduation appear to be separate and influenced by different factors. The only common factor appears to be the student's perception of the social climate within Pennsylvania. It would appear that students who leave because they want a "change of scene" may stay away because of the "social climate."

HUMAN COSTS OF POLICY CHANGE

While a more restrictive policy might produce some financial savings to the Commonwealth, that savings would become a cost to the students - or their parents - who continue their plans to attend an out-of-state institution. The loss of over $600 in grant assistance from the Commonwealth would have to be recovered through more employment, more borrowing, a reduced standard of living, increased sacrifice by the parents, or more grant assistance from the institutions. With the available grant funds as limited as they are it is not likely that the latter possibility would become a reality for many students.

Educators, and many non-educators, believe that freedom of choice is an important goal for both society and the individual. One of the costs of restricting grant eligibility would be a restriction of the freedom of choice which students are now permitted. One group of students for whom such a restriction might have serious consequences is the black students who leave Pennsylvania to attend a predominantly black college in a southern state. According to PHEAA estimates, 90 percent of all out-of-state black grant recipients attend predominantly black colleges. Based on the study results, about one quarter of these students might delay or abandon their educational plans. There are compelling reasons black students offer for choosing a predominantly black institution. Further, these institutions are in many instances better equipped to provide compensatory educational experiences which the black students need because of less adequate than normal preparation in the secondary schools.

Another group for whom the restricted freedom of choice might have serious consequences is the students who want to attend religiously-affiliated institutions not represented in the universe of Pennsylvania institutions. In Pennsylvania, there are no colleges affiliated with many religious orders. About 16 percent of the out-of-state students in the study group indicated that the religious affiliation of the institution was one of the three most important reasons for their choice of institution, and about one-fourth of them indicated that they would delay or abandon their educational plans if they could not have a grant to attend that institution.

Perhaps the most important human cost would be the loss of human resources which would be represented by the students who would delay or abandon their educational careers were it not for their out-of-state grant. This is the cost of "underdevelopment of the Commonwealth's human talent" which led to the initial development of the grant program. There is no way to fully assess this cost.